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SUMMARY

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Czechoslovakia

PREREQUISITES AND PRINCIPLES OF PLANNED ECONOMIC MANAGEMENT

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Prerequisites and principles of planned economic management.

by

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I. Presuppositions of planned control and its effectiveness

(1) The better the presuppositions mentioned below are fulfilled the more effective planned control of economy will be:

(a) concentration of the material and financial resources in the hand of the state

(b) agreement between the aims of planning and the interests of the working people

(c) unified organisation of control of economy

(d) state monopoly of foreign trade

(e) unified arrangement and central administration of financial and credit system

(f) central administration and determination of unified and for a certain period of time stabilised prices by the state.

II. Organisation of planned administration of economy.

(2) Effective planned administration of national economy makes certain demands on the organisational structure of economy. In Czechoslovakia economy has been organised as follows:

(i) The government of the Czechoslovak Socialist Republic is the central controlling organ. Objective organs ensuring preparation, drafting, control of the fulfilment of the plan and the controlling organs themselves / i.e. ministries / are subordinate to the government

(ii) The foremost objective organ is the central planning organ. In Czechoslovakia this is the State Planning Commission headed by a chairman, who is always a member of the government. The State Planning Commission has its own staff of experts

(iii) Further organs of government are: the central statistical organ, the ministry of finance / with the entire system of financial and credit organs/, the government

commissions and committees for special problems / e.g. state committee for the development of science and technique, the state wages commission, etc./

(iv) The administration of the activities of the enterprises themselves is carried out by the government through the various ministries or through the regional organs / national committees /.

(v) The basic economic units are the enterprises, the budget organisations and the co-operatives. The state enterprises have relative economic and legal independence in the use of the means entrusted to them. Budget organisations / e.g. education, administration, health service / are directly financed through the state budget. Cooperatives are connected with the planned administration through agreements with the state.

III. System of planning.

(3) In the Czechoslovak Socialist Republic the following system of planning has been established:

a. Annual economic plans through which tasks are set for individual organisations and enterprises. The conception of the development of economy and long-term trends are solved in long-term plans / several-year plans, two- to seven-year plans, usually five-year plans and long-term plans of 15 - 20 years/

b. Plans are divided according to the various organisational levels. They are detailed down to the enterprises by means of indexes expressing the tasks and assigning resources. Details of indexes are determined by the enterprises themselves

c. The methods of drafting the plan are such as to ensure both coordination throughout the whole state as well as the initiative of the enterprises and the direct participation of the working people

d. Reserves are created in the plan to cover unforseen fluctuations.

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